



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0821	Title:	State emergency notification system
Primary Sponsor:	Bergren, Bob	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$925,000	\$925,000	\$925,000	\$925,000
Other	\$15,960	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Other	\$15,960	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>(\$925,000)</u>	<u>(\$925,000)</u>	<u>(\$925,000)</u>	<u>(\$925,000)</u>

Description of Fiscal Impact:

The proposal provides for the creation of an emergency notification and alert system for use by state and local governments, and non-profit entities. A general fund appropriation of \$925,000 per fiscal year is provided to the Department of Administration (DofA) for the procurement of a system meeting the specifications contained in the act. DofA's fiscal impact would be approximately \$15,960 of labor to work on the RFP and the management of that process. This bill would only fiscally impact local governments to the extent that they utilized the services provided by the communications network based on the utilization fees they would be assessed. The fees are not monetarily identified in the bill.

The Division of Disaster and Emergency Services of the Department of Military Affairs will work with DofA to assess the state's current capabilities for providing a statewide emergency notification system, developing and maintaining a statewide automated emergency notification and messaging system, and providing outreach to potential authorized system subscribers.

FISCAL ANALYSIS

Assumptions:

Department of Military Affairs – Disaster and Emergency Services (DES)

1. 1.00 FTE will be required to coordinate the assessment of the state's current capabilities for providing a statewide emergency notification system, developing and maintaining a statewide automated emergency notification and messaging system, and providing outreach to potential authorized system subscribers. Appropriation authority to hire the FTE would have to be transferred to DES from the appropriation provided to DofA in the bill.

Department of Administration

2. A current Information Technology Services Division (ITSD) FTE will spend approximately 480 hours on a request for proposals (RFP) and management of the procurement process.
3. Total personal services expenditures are estimated to be \$15,960 for salary, benefits, and health insurance.
4. These labor costs will be billed to and recovered from the appropriation in this bill.
5. Any new systems requirements will be charged to the appropriation in the bill.
6. A notification system meeting the requirements of the Act will be procured late in FY 2008. The licensing, maintenance, and implementation costs are dependent on responses to the RFP. For purposes of the fiscal note, it is assumed that the entire appropriation will be encumbered each year of the biennium.
7. It is assumed, for purposes of this fiscal note, that the charges that are covered by the appropriation in the 2009 biennium will continue into the 2011 biennium as general fund expenditures.
8. The proposal expects ITSD to charge subscribers fees to recover the costs of providing the service. Since so little is known about the system and its effort, these potential charges to users can not be estimated in this fiscal note.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
Department of Military Affairs - DES				
FTE	1.00	1.00	1.00	1.00
<u>Expenditures:</u>				
Personal Services	\$55,764	\$57,433	\$59,156	\$60,931
Operating Expenses	<u>\$10,950</u>	<u>\$6,550</u>	<u>\$6,750</u>	<u>\$6,950</u>
TOTAL Expenditures	<u>\$66,714</u>	<u>\$63,983</u>	<u>\$65,906</u>	<u>\$67,881</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$66,714	\$63,983	\$65,906	\$67,881
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Department of Administration				
<u>Expenditures:</u>				
Personal Services	\$15,960	\$0	\$0	\$0
Operating Expenses	<u>\$858,286</u>	<u>\$861,017</u>	<u>\$859,094</u>	<u>\$857,119</u>
TOTAL Expenditures	<u>\$874,246</u>	<u>\$861,017</u>	<u>\$859,094</u>	<u>\$857,119</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$858,286	\$861,017	\$859,094	\$857,119
Other - Proprietary (06)	<u>\$15,960</u>	<u></u>	<u></u>	<u></u>
TOTAL Funding Exp.	<u>\$874,246</u>	<u>\$861,017</u>	<u>\$859,094</u>	<u>\$857,119</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Other - Proprietary (06)	\$15,960	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$925,000)	(\$925,000)	(\$925,000)	(\$925,000)
Other - Proprietary (06)	\$0	\$0	\$0	\$0

Long Range Impacts:

The proposal provides no long-term funding for the service. Without a long-term funding source, it is assumed ITSD will be required to recover on-going system maintenance and licensing fees from subscribers. This potential cost shift, approximately a million dollars per year per the proposal, may price the service out of subscribers' reach and result in ITSD costs that cannot be recovered.

Technical Notes:

The June 30, 2008 implementation date is problematic, given the system will need to be procured under the Montana Procurement Act and a time consuming, formal RFP process.

Effect on County or Other Local Revenues or Expenditures:

Local government has the option to participate in the system.

Sponsor's Initials

Date

Budget Director's Initials

Date